

The Director of Central Intelligence

Washington, D. C. 20505

29 June 1982

Mr. Leo Cherne Vice Chairman President's Foreign Intelligence Advisory Board Washington, D.C. 20500 25**X**1

Dear Leo:

This is the second installment on the status of activities that have been undertaken in response to the PFIAB's recommendations of 1976. I expect it will be necessary for me to wrap up a few details in one final letter, but this should provide the bulk of the rest of our response.

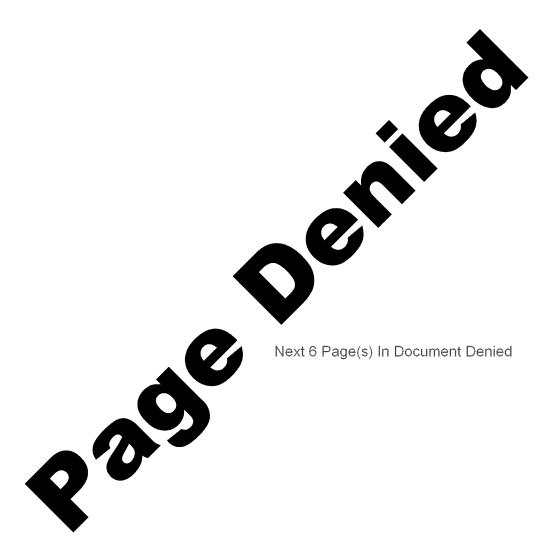
In my letter last week, I deferred discussion of two of the nine formal recommendations that appear on pages v-vii of the 2 December 1976 report entitled, "Intelligence for the Future." Let me dispense with those first.

a. <u>Second Recommendation</u>: The NSC should direct a "most thorough review" of the subject and structure of intelligence support to crisis management.

No single review of the subject of intelligence support to crisis management has been conducted under the auspices of the NSC. There have been half-hearted attempts to address the issue, but even the U.S. hostage situation in Iran did not precipitate a searching, coordinated review.

Notwithstanding this, two improvements have been made in crisis support as a result of recent actions. The Crisis Pre-Planning Group (CPPG), chaired by the NSC, was established by the Assistant to the President for National Security Affairs to support the Special Situation Group, which was created by the National Security Decision Directive No. 3 on crisis management, dated 14 December 1981. The CPPG will identify areas where U.S. interests are at stake in which rising tensions suggest the possible emergence of a crisis and will ensure that appropriate interagency groups are formed to develop contingency plans. The group meets weekly. The second relatively recent action has been the revival by the DCI of the Watch Committee. This interagency group was reestablished to review and report on potential developments, generally of an imminent nature, which could surprise the President or have impact on U.S. security or foreign policy. This Committee, composed of the chiefs of DDI, DIA, NSA and INR, meets each Thursday to issue a report that is included with the President's Daily Brief each Friday.

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Issue 5: Counterintelligence.

This issue was dealt with in my last letter.

Again, I have tried to err on the side of providing more detail than you may need. I trust you will be as impressed as I have been in seeing how far the Community has come in dealing with some of the issues that concerned PFIAB six years ago. The next, and I hope final, report should be ready later this week or early next week.

Sincerely,

Vsl. Willem C. Casey

William J. Casey

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